

FAY'S DRUG CO., INC.**R.J. REYNOLDS TOBACCO CO. CONTRACT ADDENDUM**

- R.J. Reynolds Tobacco Co. will supply cigarette carton fixturing for all stores. R.J. Reynolds will horizontally load full price and savings priced cigarettes on the top two shelves of all carton fixtures.
- Philip Morris Co. will supply all cigarette package fixtures for all stores. All package fixtures will be vertically loaded, with Philip Morris and R.J. Reynolds sharing equally, the promotional topper, advertising, and planogrammed pack facings.
- Philip Morris will be permitted to place one piece of permanent advertising on the security door of the carton fixture to cover the space allocated to their Marlboro product.
- Only R.J. Reynolds permanent advertising will be placed in the cigarette carton canopy.
- Vertical planogramming of the carton fixture will be an option, and if exercised, both R.J. Reynolds and Philip Morris will occupy shelf space equally. Placement of R.J. Reynolds and Philip Morris brands will begin on the top three shelves, to include 50% of facings shared on these top three shelves. Any additional facings should be planogrammed in a contiguous manner on lower shelves.
- Philip Morris should begin replacing R.J. Reynolds package fixtures immediately, and should avoid vertical loading of R.J. Reynolds package fixtures to protect the patterns and practices that R.J. Reynolds currently has in place.
- This agreement shall remain in effect for a two-year period commencing December 1, 1994.
- In the event that you are unsuccessful negotiating the above, R.J. Reynolds will be in the position to continue the status quo of 100% RJR fixturing, horizontally loaded, and still qualify you for the \$75,000.00 bonus two-year agreement

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